

DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

TABLE OF CONTENTS

Item No	Description	Page
1	Consolidated Statement of Comprehensive Income	2
2	Statements of Financial Position – Group and Company	4
3	Consolidated Statement of Cash Flows	6
4	Statements of Changes in Equity – Group and Company	8
5	Selected Notes to the Financial Statements	9
6	Earnings per share	10
7	Net asset value per share	10
8	Review of performance of the Group	10
9	Forecast / Prospect Statement	13
10	Commentary	13
11 & 12	Dividends	14
13	Use of IPO proceeds	14
14	Interested Person Transaction	15

On 20 December 2011, the Company changed its financial year end from 31 May to 31 December. As such, the 2011 comparatives are derived figures.

Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited) is the Issue Manager of the Group's Initial Public Offering. Canaccord Genuity Singapore Pte. Ltd., together with UOB Kay Hian Private Limited, are the Joint Underwriters and Joint Placement Agents of the Invitation.

1(a)(i) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group					
	3 months ended 30 Sep 2012	3 months ended 30 Sep 2011	Change	9 months ended 30 Sep 2012	9 months ended 30 Sep 2011	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	59,791	23,225	157.4%	141,097	106,770	32.2%
Cost of sales	(40,062)	(16,002)	150.4%	(101,600)	(71,586)	41.9%
Gross profit	19,729	7,223	173.1%	39,497	35,184	12.3%
Gross profit margin	33.0%	31.1%		28.0%	33.0%	
Other income	102	278	-63.4%	1,601	1,333	20.1%
Administrative expenses	(7,462)	(3,966)	88.1%	(17,430)	(15,595)	11.8%
Finance expenses	(90)	(31)	190.3%	(165)	(380)	-56.6%
Share of loss of an associated company	-	*	NM	-	*	NM
Profit before income tax	12,279	3,504	250.4%	23,503	20,542	14.4%
Income tax expense	(2,100)	(585)	259.0%	(3,912)	(3,338)	17.2%
Net profit for the financial period	10,179	2,919	248.7%	19,591	17,204	13.9%
Net profit margin	17.0%	12.6%		13.9%	16.1%	
Other comprehensive income, net of tax:-						
Currency translation differences arising from consolidation	30	-	NM	6	2	NM
Total comprehensive income for the financial period	10,209	2,919	249.7%	19,597	17,206	13.9%
Attributable to:-						
Equity holders of the Company	10,209	2,919	249.7%	19,597	17,206	13.9%

* amount less than \$1,000

NM means not meaningful

1(a)(ii) The statement of comprehensive income is arrived at after charging/(crediting) the following:-

The Group's profit is stated after charging/(crediting):-

	Group			Group		
	3 months ended 30 Sep 2012	3 months ended 30 Sep 2011	Change	9 months ended 30 Sep 2012	9 months ended 30 Sep 2011	Change
	\$'000	\$'000	%	\$'000	\$'000	%
The Group's profit is stated after charging/(crediting):-						
Rental income ^(Note 1)	(113)	(139)	-18.7%	(226)	(276)	-18.1%
Interest income - bank deposits	(36)	(131)	-72.5%	(131)	(188)	-30.3%
Interest on borrowings	90	31	190.3%	165	380	-56.6%
Depreciation of property, plant and equipment	2,348	1,542	52.3%	5,226	4,749	10.0%
Fair value gain on derivative financial instruments	(434)	-	NM	(1,769)	-	NM
Foreign exchange loss, net	570	14	NM	581	561	3.6%
(Gain)/loss on disposal of property, plant and equipment, net	(57)	1	NM	(94)	(11)	NM

Note 1 - Rental income comprises mainly rental income of investment properties, container-office and warehouse.

NM - not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

UNAUDITED STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30 Sep 2012	31 Dec 2011	30 Sep 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and bank balances	31,395	28,207	557	651
Trade and other receivables	92,952	36,512	75,768	81,104
Derivative financial instrument	420	-	-	-
Inventories	398	1,443	-	-
Construction contract work-in-progress	967	716	-	-
Other current assets	3,158	2,478	22	20
	129,290	69,356	76,347	81,775
Non-Current Assets				
Club memberships	407	407	-	-
Investment in subsidiaries	-	-	25,476	25,476
Investment in an associated company	61	63	-	-
Investment properties	12,000	12,000	-	-
Goodwill	4,541	-	-	-
Property, plant and equipment	81,446	77,268	-	-
	98,455	89,738	25,476	25,476
Total Assets	227,745	159,094	101,823	107,251
LIABILITIES				
Current Liabilities				
Trade and other payables	74,183	36,044	298	268
Derivative financial instrument	-	72	-	-
Borrowings	12,001	197	-	-
Current income tax liabilities	6,476	2,893	-	-
	92,660	39,206	298	268
Non-Current Liabilities				
Borrowings	375	124	-	-
Deferred income tax liabilities	4,822	4,822	-	-
	5,197	4,946	-	-
Total Liabilities	97,857	44,152	298	268
Net Assets	129,888	114,942	101,525	106,983
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	99,603	99,603	99,603	99,603
Foreign currency translation reserves	(28)	(34)	-	-
Retained profits	30,313	15,373	1,922	7,380
Total Equity	129,888	114,942	101,525	106,983

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

	As at 30 Sep 2012		As at 31 Dec 2011	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	12,001	-	197	-
Amount repayable after one year	375	-	124	-

Details of any collateral:-

The Group's borrowings are secured by short-term bank deposits, Corporate Guarantee by the Company and the rights to the leased site equipment and tools and motor vehicles.

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 30 Sep 2012	3 months ended 30 Sep 2011	9 months ended 30 Sep 2012	9 months ended 30 Sep 2011
	\$'000	\$'000	\$'000	\$'000
Cash Flows From Operating Activities				
Net profit	10,179	2,919	19,591	17,204
Adjustment for:				
- Income tax expense	2,100	585	3,912	3,338
- Depreciation of property, plant and equipment	2,348	1,542	5,226	4,749
- (Gain)/loss on disposal of property, plant and equipment	(57)	1	(94)	(11)
- Interest income	(36)	(131)	(131)	(188)
- Interest expense	90	31	165	380
- Fair value gain on derivative financial instruments	(258)	-	(492)	-
- Unrealised translation (gain)/loss	(36)	-	(36)	-
	14,330	4,947	28,141	25,472
Changes in working capital				
- Trade and other receivables	(32,443)	24,041	(55,547)	(10,810)
- Construction contract work-in-progress	(196)	610	(251)	25
- Inventories	3	(577)	1,071	(459)
- Other current assets	2,763	(484)	(308)	1,207
- Trade and other payables	13,606	(14,152)	32,562	(25,689)
Cash (used in)/generated from operations	(1,937)	14,385	5,668	(10,254)
Interest received	36	131	131	188
Income tax refund/(paid)	-	1,220	(861)	(2,224)
Net cash (used in)/provided by operating activities	(1,901)	15,736	4,938	(12,290)
Cash Flows From Investing Activities				
- Acquisition of a subsidiary, net of cash acquired	(455)	-	(455)	-
- Additions to property, plant and equipment	(1,990)	(10,264)	(8,743)	(18,489)
- Additions to club membership	-	-	-	(329)
- Improvement to investment properties	-	(3)	-	325
- Proceeds from disposal of property, plant and equipment	130	24	167	376
- Decrease/(increase) in bank deposits with maturity more than 3 months	-	-	10,000	(21,962)
Net cash used in investing activities	(2,315)	(10,243)	969	(40,079)
Cash Flows From Financing Activities				
- Repayment of finance lease liabilities	(144)	(65)	(393)	(431)
- Proceeds from borrowings	-	-	12,484	-
- Proceeds from issuance of ordinary shares	-	-	-	75,567
- Share issue expenses	-	-	-	(2,440)
- Interest expense paid	(90)	(31)	(165)	(380)
- Dividend paid to equity holders of the Company	-	-	(4,651)	-
- Repayment of borrowings	(1,125)	(2,528)	-	(18,082)
- Decrease/(increase) in bank deposits pledged	-	293	(20,000)	2,250
Net cash (used in)/provided by financing activities	(1,359)	(2,331)	(12,725)	56,484
Net (decrease)/increase in cash and cash equivalents	(5,575)	3,162	(6,818)	4,115
Effect of currency translation on cash and cash equivalents	30	-	6	2
Cash and cash equivalents at beginning of the financial period	16,940	26,445	18,207	25,490
Cash and cash equivalents at end of the financial period	11,395	29,607	11,395	29,607

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash at bank as at the end of the financial period comprised the following:-

	3 months ended 30 Sep 2012	3 months ended 30 Sep 2011	9 months ended 30 Sep 2012	9 months ended 30 Sep 2011
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents at end of the financial period	11,395	29,607	11,395	29,607
Add: bank deposits pledged	20,000	18,000	20,000	18,000
Add: bank deposits with maturity more than 3 months	-	21,669	-	21,669
Cash and bank balances	31,395	69,276	31,395	69,276

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			Non-controlling interest	Total equity
	Share Capital	Retained profits	Foreign currency translation reserve		
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Balance at 1 January 2012	99,603	15,373	(34)	-	114,942
1H2012					
Total comprehensive income for the first half	-	9,412	(24)	-	9,388
Dividend relating to the 7-month financial period ended 31 December 2011	-	(4,651)	-	-	(4,651)
Balance at 30 June 2012	99,603	20,134	(58)	-	119,679
3Q2012					
Total comprehensive income for the financial period	-	10,179	30	-	10,209
Balance at 30 September 2012	99,603	30,313	(28)	-	129,888
Company					
Balance at 1 January 2012	99,603	7,380	-	-	106,983
1H2012					
Total comprehensive loss for the first half	-	(592)	-	-	(592)
Dividend relating to the 7-month financial period ended 31 December 2011	-	(4,651)	-	-	(4,651)
Balance at 30 June 2012	99,603	2,137	-	-	101,740
3Q2012					
Total comprehensive loss for the financial period	-	(215)	-	-	(215)
Balance at 30 September 2012	99,603	1,922	-	-	101,525

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of Ordinary Shares	Resultant issued share capital \$
Balance as at 30 September 2012 and 31 December 2011	930,192,000	99,603,262

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company did not hold any treasury shares as at 30 September 2012 and 31 December 2011. The Company's total number of issued shares excluding treasury shares as at 30 September 2012 and 31 December 2011 is 930,192,000.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Group's independent auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation adopted in the financial statements for the current reporting period, as those used for the audited consolidated financial statements for the seven months financial period ended 31 December 2011.

As consistent with the results for the seven months ended 31 December 2011, the Group has early adopted the amended Singapore Financial Reporting Standard ("FRS") 12 Income Taxes, issued in February 2011 and effective from January 2012. The early adoption of the amended FRS did not result in any significant impact on the financial statements of the Group.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

	Group			
	3 months ended 30 Sep 2012	3 months ended 30 Sep 2011	9 months ended 30 Sep 2012	9 months ended 30 Sep 2011
EPS (based on consolidated net profit attributable to equity holders):- Based on the weighted average number of ordinary shares in issue (cents)	1.10	0.31	2.11	1.85
Weighted average number of shares issue during the period used in computing of Basic EPS	930,192,000	930,192,000	930,192,000	930,192,000

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
 (a) **current financial period reported on; and**
 (b) **immediately preceding financial year**

	Group		Company	
	30 Sep 2012	31 Dec 2011	30 Sep 2012	31 Dec 2011
Net asset value per ordinary share based on existing share capital (cents)	13.96	12.36	10.91	11.50
Number of shares	930,192,000	930,192,000	930,192,000	930,192,000

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income Statement Overview

Revenue

Revenue for 3Q2012 increased by \$36.6m or 157.4% from \$23.2m in 3Q2011 to \$59.8m in 3Q2012. The increase was due to more on-going projects and recognition of certain variation orders in this quarter as compared to the previous corresponding quarter.

Gross Profit

Gross profit for 3Q2012 increased by \$12.5m or 173.1% from \$7.2m in 3Q2011 to \$19.7m in 3Q2012. The higher gross profit in 3Q2012 was mainly due to recognition of certain variation orders with higher margins.

Other Income

Other income for 3Q2012 decreased by \$0.2m from \$0.3m in 3Q2011 to \$0.1m in 3Q2012. The decrease was mainly due to foreign exchange loss of \$0.6m partially offset by fair value gain on derivative financial instrument of \$0.4m.

Administrative Expenses

Administrative expenses for 3Q2012 increased by \$3.5m from \$4.0m in 3Q2011 to \$7.5m in 3Q2012. The increase was mainly due to higher employee compensation as the Group recruited more staff and workers to cope with the bigger business volume.

Finance expenses

Finance expenses comprise mainly interest expenses on bank borrowings and finance leases which were minimal for the financial periods under review.

Income Tax expense

Income tax expense for the financial periods under review was provided at the prevailing Singapore corporate tax rate of 17%.

Statement of Financial Position

Current Assets

The Group's current assets increased by \$59.9m from \$69.4m as at 31 December 2011 to \$129.3m as at 30 September 2012 mainly due to increases in cash and bank balances, trade and other receivables, other current assets, derivative financial instrument and construction work in progress.

Cash and bank balances increased by \$3.2m from \$28.2m as at 31 December 2011 to \$31.4m as at 30 September 2012 mainly due to proceeds from short term bank borrowings.

Trade and other receivables increased by \$56.4m from \$36.5m as at 31 December 2011 to \$92.9m as at 30 September 2012 due to higher volume of business activities resulting in higher billings in September 2012.

Derivative financial instrument increased by \$0.5m from \$(0.1m) as at 31 December 2011 to \$0.4m as at 30 September 2012 due to favourable movements in contracted USD forward rates against market spot rates.

Inventories decreased by \$1.0m from \$1.4m as at 31 December 2011 to \$0.4m as at 30 September 2012 mainly due to sale of steel plates to a third party.

Construction contract work-in-progress increased by \$0.3m from \$0.7m as at 31 December 2011 to \$1.0m as at 30 September 2012 mainly due to new projects undertaken in 3Q2012.

Other current assets increased by \$0.7m from \$2.5m as at 31 December 2011 to \$3.2m as at 30 September 2012 mainly due to prepaid rentals made for additional yard space to cope with current order book.

Non-Current Assets

Non-current assets increased by \$8.7m from \$89.7m as at 31 December 2011 to \$98.4m as at 30 September 2012 mainly due to additions in property, plant and equipment of \$8.7m. The costs of fixed assets additions were reduced partially by depreciation charges of \$5.2m for the nine months ended 30 September 2012. The increase is also due to \$4.5m provisional goodwill amount recognized for the acquisition of Paliy Marine Fabricator (Guangzhou) Limited (n.k.a DMP Marine Fabricator (Nansha) Co. Ltd ("DMP")).

Current Liabilities

Trade and other payables increased by \$38.1m from \$36.0m as at 31 December 2011 to \$74.1m as at 30 September 2012 mainly due to higher volume of business activities for the quarter ended 30 September 2012.

Current income tax liabilities increased by \$3.6m from \$2.9m as at 31 December 2011 to \$6.5m as at 30 September 2012 mainly due to higher amount of tax provided.

Borrowings increased by \$12.1m from \$0.3m as at 31 December 2011 to \$12.4m as at 30 September 2012 mainly due to the utilization of banking facilities to bridge working capital requirement.

Consolidated Cash Flow

As at 30 September 2012, the Group had cash and cash equivalent of \$11.4m. For the nine months ended 30 September 2012, the Group generated cash from operating activities before changes in working capital of \$28.1m. Net cash generated from operations amounted to \$5.7m mainly due to increase in trade and other payables of \$32.6m, decrease in inventories of \$1.1m partially offset by increase in trade and other receivables of \$55.5m.

For the nine months ended 30 September 2012, cash used in investing activities amounted to \$1.0m mainly due to additions of property, plant and equipment of \$8.7m and acquisition of a subsidiary, net of cash acquired of \$0.5m, partially offset by decrease in bank deposits with maturity more than three months of \$10.0m.

For the nine months ended 30 September 2012, cash used in financing activities amounted to \$12.7m mainly due to increase in bank deposits pledged of \$20.0m and dividend payments of \$4.7m in relation to

the 7-months financial period ended 31 December 2011, partially offset by banking facilities of \$12.5m to bridge working capital requirements as most of the projects were at their progressive stage of completion.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to the shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Our sector remains strong. The Group delivered three topside modules and eight pipe racks on schedule, within safety standards and within budget for the quarter just ended.

The Group geared up its production capacity by acquiring a leasehold yard in Nansha, Guangzhou in July 2012. The Group completed a placement exercise in October 2012 by placing out 10% of new shares at \$0.50 each, raising a total of \$45 million for working capital purpose, which is in line with the expected higher level of business activities. As part of the placement exercise, the vendor also placed out 5% of his shares.

The Group continues to receive active tender enquiries for new projects. As at today, our net order book is about \$215 million.

11. Dividend

- (a) **Current financial period reported on**
Any dividend declared for the current financial period reported on?

No.

- (b) **Corresponding period of the immediately preceding financial year**
Any dividend declared for the corresponding period of the immediately preceding financial year?

The Company announced the change of its financial year end from 31 May to 31 December on 20 December 2011. Therefore, the preceding financial year is for a seven-month period from 1 June 2011 to 31 December 2011.

For the financial year ended 31 May 2011, we have declared a dividend \$0.02. For the financial period from 1 June 2011 to 31 December 2011, we have declared a dividend of \$0.005.

- (c) **Date payable**

Not applicable.

- (d) **Books closure date**

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared in respect of the current financial period.

13. Use of IPO Proceeds

186,000,000 new shares were issued on 1 March 2011 pursuant to our IPO and 29,907,000 shares were issued on 4 April 2011 to satisfy the over-allotment at \$0.35 for each share raising net proceeds in total of \$73.2m.

Use of proceeds	Amount allocated (\$'million)	Amount utilized (\$'million)	Balance amount (\$'million)
a. Expansion of yard facility at 13 Pandan Crescent	8.0	8.0	-
b. Upgrading and expansion of yard facility at Main Yard	12.0	12.0	-
c. Acquisition of additional equipment and machineries	7.0	6.2	0.8
d. Expansion of operations overseas	20.0	0.6	19.4
e. General working capital	26.2	26.2	-
	73.2	53.0	20.2

14. Interested person transaction disclosure

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)	
	9 months ended 30 Sep 2012 \$'000	9 months ended 30 Sep 2011 \$'000	9 months ended 30 Sep 2012 \$'000	9 months ended 30 Sep 2011 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with Speedgrow International Pte. Ltd. ("Speedgrow")				
Supply of machine and equipment by Speedgrow	-	151	-	-
Transactions with L&W United Engineering Pte. Ltd. ("L&W")				
Subcontracting services for steel and piping fabrication by L&W	1,717	1,920	-	-
REVENUE				
Keppel Shipyard Limited ("KSL")				
Fabrication of topside module	-	-	4,594	5,309
Other adhoc projects (other services)	-	-	796	-

15. Confirmation pursuant to the Rule 705(4) of the listing manual

The Board of Directors of the Company hereby confirms to the best of its knowledge nothing has come to its attention which may render the unaudited interim financial results for the third quarter ended 30 September 2012 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO

9 November 2012